

**Tom Reeves  
Commission for Energy Regulation  
Plaza House  
Tallaght  
Dublin 24**

27<sup>th</sup> September 2006

**RE: Electricity Tariff Consultation**

Dear Mr. Reeves,

Green Isle Foods Limited would like to outline its objections to the proposed electricity tariff increases, and ask you to reduce them to current market prices.

We operate in the low margin food business and come under intense pressure every year from retailers in both the UK & Ireland to cut our costs in order to maintain business. The already high costs associated with manufacturing in Ireland forced us earlier this year to close one of our six plants in Ireland and transfer the production to the UK with the loss of seventy eight jobs. Your proposals which will mean an estimated 29% increase in our electricity costs will force us to review our remaining manufacturing plants with more than one thousand people employed and consider transferring more production to the UK where energy costs are more than 20% lower.

Our electricity costs have doubled over the four years while the cost of our products into the supermarkets has decreased in order to keep our products on shelves. We understand that fuel prices have increased over the past year, however when we are hit with commodity increases we have to off set them with improved efficiency and better procurement. In the proposed cost increases, there is no evidence of improved efficiency or purchasing fuel at the lowest possible prices; if the fuel was purchased today for next year the increases would be almost halved.

Green Isle Foods ask you in the strongest possible terms to reduce the proposed electricity tariff to current market prices, and allow us the flexibility to manage fuel purchasing with the energy providers to minimise any price increases through better purchasing. Failure to act in this manner is likely to result in the loss of a considerable number of jobs in the food industry.

Yours Sincerely,

Kieran Carolan  
Managing Director  
Green Isle Foods Ltd.